HOUSING MARKET INFORMATION

HOUSING MARKET OUTLOOK
Vancouver and Abbotsford CMAs

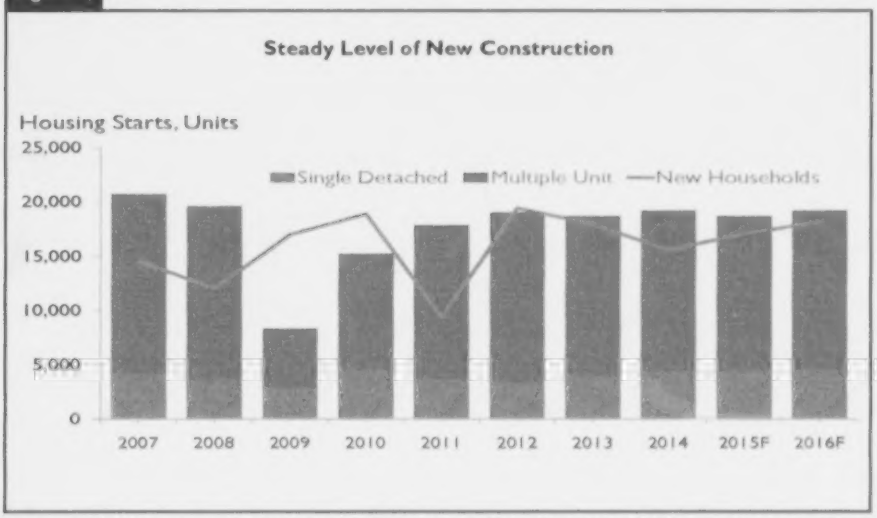
CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: Spring 2015

Vancouver Highlights

- A stable pace of new home construction is expected for 2015 and 2016, with housing starts forecast at 18,700 and 19,200 units, respectively.
- MLS® sales are projected to surpass the long-term average annual level to reach 38,000 transactions in 2015 and 36,000 in 2016.
- MLS® average prices will grow in 2015 at a pace similar to last year's, however that pace will moderate slightly in 2016.
- Rental vacancy rates will remain low throughout the forecast horizon.
- Population and household growth will be the primary drivers of housing demand, with job growth and low mortgage interest rates adding support.

Figure 1



Sources: CMHC, Starts and Completions Survey; B.C. Statistics PEOPLE 2014 Household formation data and forecasts

Table of Contents

1 Vancouver Highlights
2 Vancouver CMA new home construction stable in 2015 and 2016
2 Greater Vancouver resale market to remain active
3 Rental vacancy rates forecast to stay low
4 Fundamentals will support stable housing demand
5 Mortgage Rates
6 Trends at a Glance
6 Forecast Risks
7 Abbotsford-Mission CMA Highlights
12 Forecast Summary
14 Methodology

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Vancouver CMA new home construction stable in 2015 and 2016

A stable pace of new home construction is expected for 2015 and 2016, with housing starts forecast at 18,700 and 19,200 units, respectively. Solid housing demand fundamentals, including job growth and the formation of approximately 16,000 new households each year will support a steady level of home building during the next 18 months (Figure 1). During the first quarter of 2015, starts were down two per cent compared to the same period last year. Increases in single-detached and semi-detached home starts were offset by fewer townhouse and apartment starts.

The trend of increasing single-detached starts is expected to carry through during the next 18 months, based on strong demand for this type of housing, including spill-over demand from a very active resale detached home market. Detached house construction is forecast to increase to 3,500 units this year and 4,600 units in 2016. Single-detached home construction continued the upward trend established last year, with a twelve per cent increase during the first quarter of 2015. Nearly half of all new houses started were in the cities of Vancouver and Surrey, reflecting broad demand for detached homes at all price points. Pricier areas like the West Side of Vancouver as well as those at the other end of the price spectrum, such as Maple Ridge, registered increases in detached home starts. On the West Side of Vancouver where home and land prices are some of the highest in the CMA, most (75 per cent) of the detached home building is replacement (ownership) housing, whereas on the East Side of the city, nearly half of the new houses built are rental properties, likely laneway homes. Modest inventories of completed and unabsorbed new single-detached homes and rising resale house prices will also contribute to the pace of new home building.

Figure 2

Source: MLS® data supplied and seasonally adjusted by CREA. Annualized by CMHC (actual data end point Q1 2015).

Multi-family home construction is expected to decline marginally in 2015 to 14,200 units before regaining some ground in 2016, to reach 14, 600 starts. During the first quarter of 2015, townhouse and apartment construction, the majority (95 per cent) of multi-family starts, declined by18 per cent and five per cent, respectively. Approximately one-fifth of apartment starts in the first quarter of 2015 were rental starts, compared to one-quarter during the same period last year. A steady pace of monthly absorptions for both of these home types, combined with the dip in new construction starts is expected to keep the inventory of completed and unabsorbed homes stable through the next eighteen months.

Greater Vancouver[1] resale market to remain active

Resale activity in the Real Estate Board of Greater Vancouver (REBGV) area is expected to remain above the long-term average annual level[2] in 2015 and 2016. A growing population and job market, along with low mortgage interest rates, are forecast to drive MLS® sales to 38,000 transactions in 2015, the highest level since 2007. Sales were up nearly 30 per cent in the first quarter of 2015 compared to the first quarter of 2014, but a moderating trend is expected

[1] This section concerns the resale market in the Real Estate Board of Greater Vancouver Area and therefore does not include Fraser Valley Real Estate Board area communities (Langley, South Surrey/White Rock, Surrey, North Delta and the Abbotsford-Mission CMA) which are covered in the Fraser Valley Resale section of this report.

[2] Ten year average level: 33,298 MLS® sales

during the remainder of the year (Figure 2), which will bring the year-over-year increase to 13 per cent for 2015. In 2016, sales activity is forecast to remain above the long-term average level, but move slightly lower as mortgage rates are forecast to edge up. A total of 36,000 homes are expected to change hands though the MLS system in 2016.

Existing home sales increases were broad-based across all home types this year and this trend is expected to continue. First quarter detached home sales were up 32 per cent, townhouse sales were up 35 per cent and condominium apartment sales increased 27 per cent. Detached home sales continued to account for a larger share (42 per cent) of total sales compared to recent years, while the share occupied by both town home and apartment sales remained lower.

At the Greater Vancouver Real Estate Board level, balanced market conditions are expected to remain intact for the detached home and apartment markets, while the townhouse market will likely remain in seller's territory (Figure 3). This spring's brisk sales activity combined with a lean supply of listings[1], propelled some municipal markets into sellers' territory and home prices, most notably single-detached prices, higher. However, for most home types in most areas, conditions are expected to return to balanced conditions as sales activity moderates and more listings come to market in response to higher prices.

The pace of average MLS® price growth in 2015 is forecast to remain near last year's rate of growth of five per cent. The six per cent rate of average price growth already established in the first quarter of 2015 will be tempered in the remainder of the year as sales and listings activity become more balanced. In 2016, look for price growth closer to three per cent, as the dampening impact of gradually increasing mortgage rates take effect on sales and sales shift to lower priced homes.

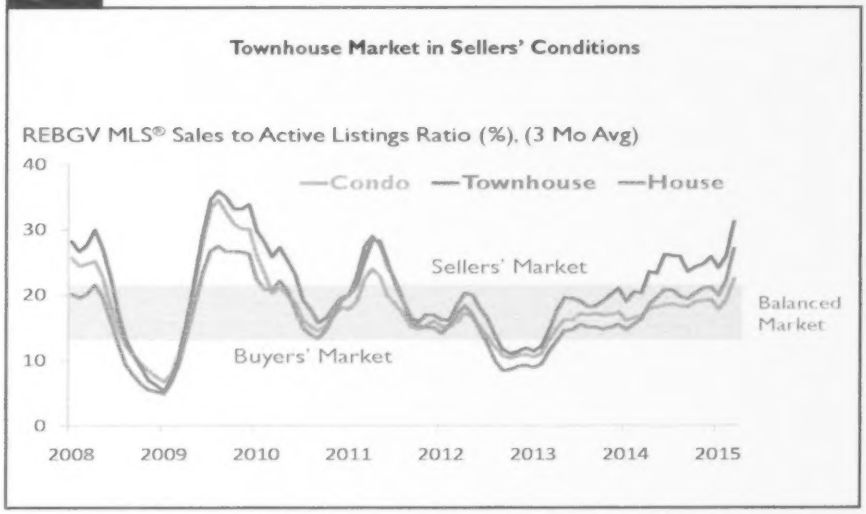
Rental vacancy rates forecast to stay low

Demand for rental accommodation in the Vancouver CMA will remain strong over the next 18 months, keeping purpose-built and condominium rental vacancy rates at or slightly below one per cent, similar to rates recorded in 2014. Rental demand will be bolstered by employment and population growth as well as the relative affordability of rental accommodation compared to home ownership. A steady stream of people moving to the region from other countries will contribute to population growth and new household formation. The high cost of homeownership in the region will mean that many people relocating to the area will rent for some time before buying a home. As well, high home prices and tighter mortgage insurance qualification rules are expected to keep some would-be first-time home buyers renting a little longer as they save for their down payment.

New purpose-built rental construction will continue to be scarce in the region, as high land prices limit the profitability of this type of development. As a result, investor-held condominiums and other types of secondary rental accommodation provide much needed new rental supply. In the first quarter of 2015, 15 per cent of all housing starts in the Vancouver CMA were market rental units and the majority of these were

Figure 3

Townhouse Market in Sellers' Conditions



Source: Real Estate Board of Greater Vancouver, CMHC Calculation, Mar 2015 latest data point

[1] The average monthly stock of active listings during the first quarter of 2015 was 13 per cent lower than during the same period last year.

mortgage helpers (secondary rental units) rather than purpose-built rental apartment buildings (Figure 4).

Average one and two bedroom rents are expected to increase by 2.5 per cent and two per cent, respectively, in 2015 and 2016[4].

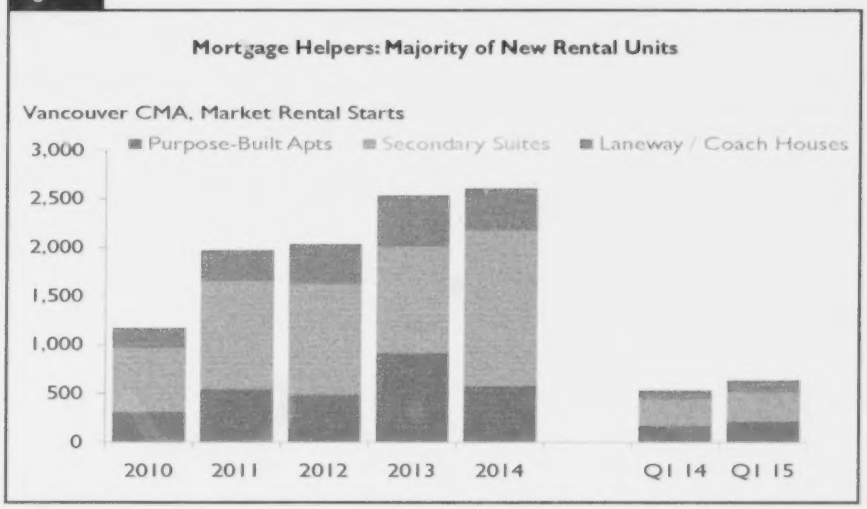
Fundamentals will support stable housing demand

Stable population and employment growth will underpin demand for both rental and ownership housing in the Vancouver CMA this year and next. Mortgage interest rates are expected to stay low from a historical perspective, providing further support to housing demand, but edge up slightly in 2016.

The Vancouver CMA will remain the job growth engine for the province. More than 28,000 jobs were added across Metro Vancouver in 2014, compared to a year earlier. This growth of 2.3 per cent resulted in a decline in the unemployment rate to 5.8 per cent, the lowest level since 2008. Job growth continued an upward trend in the first quarter of 2015 with nearly 12,000 more new positions filled, compared to the first quarter of 2014. Employment growth is expected to rise this year and next, with approximately 33,000 jobs added each year. As a result, the unemployment rate will edge lower to 5.7 per cent this year and 5.3 per cent in 2016.

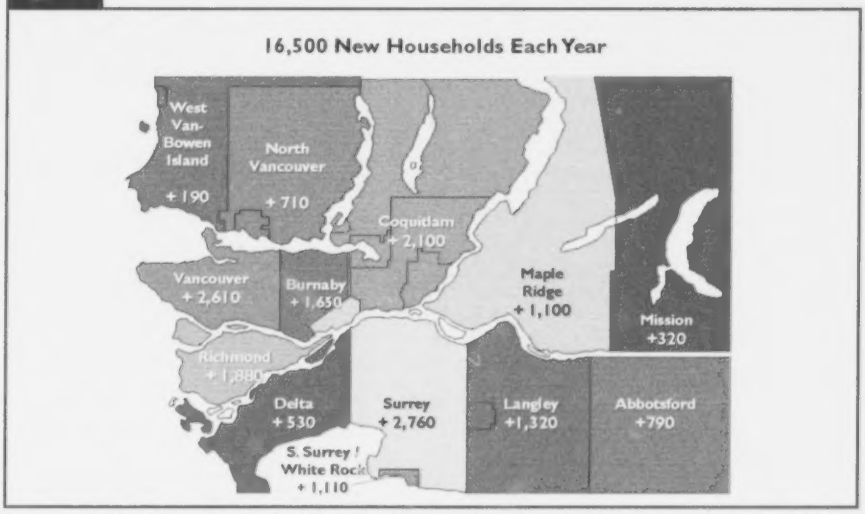
Vancouver's employment opportunities and quality of life will draw people to the region from other provinces and from abroad. The CMA will gain an estimated 30,000 people through migration in each of the coming years. International migrants will account for most (70-80 per cent) of the migration-based growth in Vancouver's population, but inter-provincial migration, which improved markedly in 2014, will also add new residents. Continuing job growth in BC, combined with an expected slowdown in provincial economies such as Alberta's due to low oil prices, will likely extend this trend over the next 18 months. As a result, approximately 16,500 new households are projected to be added to the region annually (Figure 5).

Figure 4



Source: CMHC Starts and Completions Survey

Figure 5



Source: B.C. Statistics PEOPLE 2014 Local Health Area - Projected average new households per year 2014 - 2019

[4] The provincially-mandated allowable rent increase for 2015 is 2.5% (BC Residential Tenancy Branch).

Mortgage rates are expected to remain at or close to current levels over the forecast horizon

Mortgage rates will continue to be supportive of housing demand. Consistent with the view of Canadian economic forecasters, CMHC expects interest rates to remain at or very close to current levels over the forecast horizon.

According to CMHC's base case scenario for 2015, the one-year mortgage rate is expected to be in the 2.30 to 3.50 per cent range, while the five-year rate is forecast to be within the 4.00 to 5.50 per cent range. For 2016, the one-year mortgage rate is expected to be in the 2.40 to 4.00 per cent range, while the five-year rate is forecast to be within the 4.20 to 6.20 per cent range.

Trends at a Glance

Key factors and their effects on housing starts	
Mortgage Rates	Mortgage rates will remain low by historical standards and supportive of housing demand.
Population	Steady migration will support long-term housing demand in the Vancouver CMA. Average annual population growth in Vancouver at 0.9% during the period 2014 – 2024 is forecast to be slightly higher than the provincial average.
Employment	Employment grew 0.9 per cent during the first quarter of 2015. A pick up to 2.0 per cent in 2015 and 2.4 per cent in 2016 will benefit housing demand.
Income	Average weekly earnings were up 3.2 per cent in the first quarter of 2015 and will help support demand for housing in 2015 and 2016.
Resale Market	The Greater Vancouver and Fraser Valley Real Estate Board areas are expected to maintain balanced market conditions during the forecast period. Total MLS® sales in Greater Vancouver were up 29 per cent in the first quarter of 2015. Increased interest in single-detached homes and more sales at the high end of the price spectrum pushed the aggregate average MLS® price up six per cent. Solid economic fundamentals will keep MLS® sales above the long-term average level. Average MLS® prices will increase at a pace similar to 2014, but this pace will temper in 2016.
Supply of Newly Completed and Unabsorbed Units	Completed and unabsorbed inventory edged lower and will support new construction activity through the next 18 months.
Units Absorption	During the first quarter of 2015, absorptions remained stable for all home types. The inventory of completed and unabsorbed units edged lower, adding support to new home construction activity.

Forecast Risks

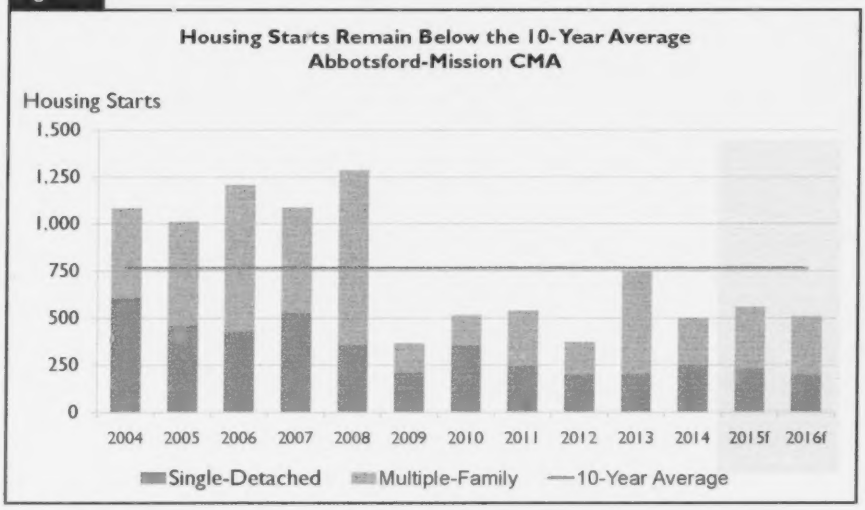
This forecast is subject to some risks, including the following:

- Low oil prices and the resulting low Canadian dollar represent an upside risk to the BC and Vancouver housing markets due to the potential for increased migration from oil-dependent provinces to BC. The low Canadian dollar could have a positive impact on BC exports and consumer spending, spurring more economic activity, which could be reflected in an up-tick in housing demand.
- A stronger than expected U.S. economic recovery or stronger growth in emerging countries could positively impact British Columbia and Vancouver economic growth, contributing to a higher level of activity in the province's housing markets, including Vancouver.
- Elevated levels of household debt and housing prices have made the country's economy more vulnerable to some economic shocks. If interest rates or unemployment were to increase sharply and significantly, some of the more heavily indebted households could be forced to liquidate some of their assets, including their homes. This could put downward pressure on house prices and, more generally, on housing market activity.

Abbotsford-Mission CMA Highlights

- Total housing starts in the Abbotsford-Mission CMA are forecast to increase to 560 units in 2015 and then moderate to 550 new homes in 2016.
- MLS® sales are forecast to increase modestly in the Abbotsford-Mission CMA and remain relatively unchanged in Fraser Valley Real Estate Board[5] area.
- Apartment rental vacancy rates will remain close to 3.0 per cent over the next two years.
- Economic and demographic conditions will remain supportive of demand in the Abbotsford-Mission CMA's housing market.

Figure 6



Source: CMHC

Housing Starts Expected to Increase then Moderate in the Abbotsford-Mission CMA

In 2015, total housing starts will rise by about 60 units to 560 units (similar to the five-year annual average) and then decline slightly to 510 units in 2016. Housing demand will be supported by positive net migration, employment gains, and low mortgage rates. Low inventories of completed and unabsorbed units will also contribute to the rise in residential construction.

New home construction activity was off to a faster pace in 2015 compared to a year earlier. In the first quarter of 2015, there was a total of 149 starts between January and March, comprised of 46 single-detached homes and 103 multi-family units. This is in contrast to the 49 units started during the same period one year ago, and reflects a higher level of apartment and townhouse condominium projects which started in the City of Abbotsford in the first quarter of this year. Single-detached starts this year were on par with first quarter levels last year.

Ground-oriented housing (single-detached, semi-detached and townhouse) will be the focus of new construction within the Abbotsford-Mission CMA in 2015 and 2016. Single-detached starts in the CMA increased in 2014 in response to market signals like higher existing home sales and lower levels of active listings. The 25 per cent increase in single-detached home starts in 2014 compared to 2013 brought total single-detached starts to 251 units last year. Although the new inventory of completed and unabsorbed homes has been declining since 2013, the increase in starts last year contributed to a lift in the number of units under construction. In March 2015, the number of single-detached units under construction was 202, up 37 per cent from the previous year. As these homes are progressively completed, inventories of newly completed and unabsorbed units may rise in the short term, if they are not entirely absorbed by demand. As a result, builders may delay or reduce the size of some construction projects in the second half of 2015. Consequently, the pace of construction of single-detached starts will be slightly lower this year, totalling 230 units by the end of this year. In 2016, mortgage rates are expected to gradually move higher which may increase the length of time it will take for newly completed single-detached homes to be absorbed. In order to allow time for these new units to be absorbed, construction of single-detached homes will step down to 200 units in 2016.

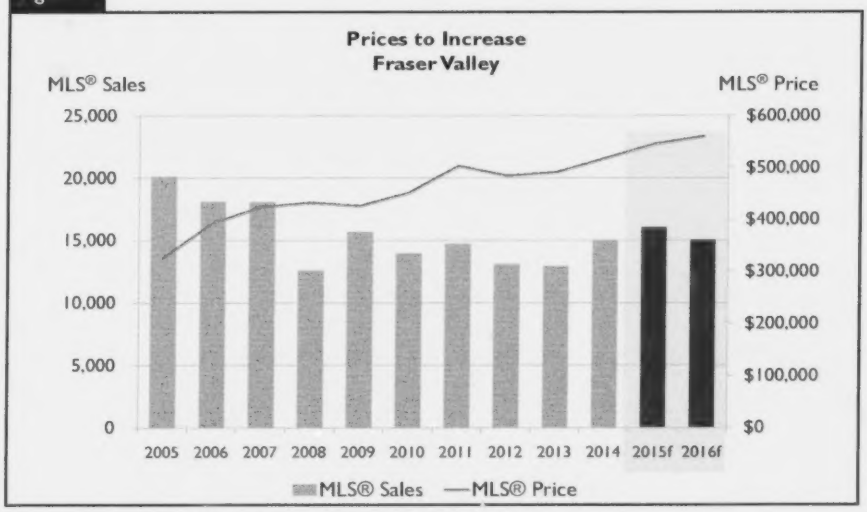
Townhouse construction will show some improvement over the forecast horizon compared to 2014.

[5] Fraser Valley Real Estate Board covers markets in North Delta, Surrey, South Surrey / White Rock, Langley, Abbotsford, and Mission

The low inventory of unsold new townhouses recorded in March 2015 will encourage builders to pick up the pace of construction in this market segment. In addition to a ten per cent increase in duplex and townhouse sales in the resale market in 2014 compared to 2013 (with a two per cent increase in average MLS prices compared to the prior year), demand was also high for new townhouses, as indicated by an absorption level of 98 units, 53 per cent higher than the year before. Currently there are 50 completed and unabsorbed townhouses that are ready for immediate purchase in the CMA and 93 units under construction. This compares to 75 completed and unabsorbed townhouses and 61 units under construction during the same period last year. The forecast is for 90 townhouse starts in 2015 and in 2016.

Demand is forecast to hold steady for new apartment condominiums. Since the first quarter of 2013, the number of completed and unabsorbed apartment units remained below 35 units on a quarterly basis until the end of 2014 which indicates steady demand for this type of home. As of March 2015, there were 98 units completed and 64 units that were completed and unabsorbed. In addition, there were 284 apartment condominium units under construction in the first quarter of 2015, 25 per cent below last year's number. This in addition to low rental vacancy rates in the area will prompt a higher pace of initiating new projects moving forward. To the end of March 2015, local builders initiated 71 apartment units compared to 6 units in the same period of 2014 and apartment starts are forecast at 240 units in 2015. Since mortgage rates are expected to be higher in 2016, the total number of apartment starts will decline to 220 units.

Figure 7



Source: Canadian Real Estate Association, Forecast by CMHC

Fraser Valley Resale Market to Continue at a Steady Pace

First-time home buyers and potential buyers coming from Vancouver, in search of homes that are less expensive than those in areas closer to the core, will support demand in the Fraser Valley market. The average house price in the Greater Vancouver Board Area continues to increase, which in turn has widened the price gap between Greater Vancouver and Fraser Valley in the Lower Mainland. In 2014, the average price of a single-detached home in Fraser Valley area was $643,914, approximately 50 per cent lower than the average price in Greater Vancouver. Consequently, some potential buyers will move to the Fraser Valley area and commute to work. Sales of all types of homes in the resale market are forecast to progress at a moderate but steady pace this year and next across the Fraser Valley Real Estate Board area. The market will continue to reflect well-matched demand and supply conditions, adding to overall price stability.

All communities with the Fraser Valley Real Estate Board area reported first quarter gains in 2015: relative to the first quarter of 2014, sales were up 29 per cent. This trend is expected to moderate somewhat, but continue and existing homes sales are forecast to see a modest pick-up in 2015 before softening in 2016. Low mortgage rates, a growing economy, modest job gains and positive net migration will encourage home buying activity. On an annual basis, MLS® sales are forecast to grow at 6.5 per cent in 2015 before declining by a similar amount in 2016, resulting from an expected increase in mortgage rates next year which is forecast to dampen demand.

The number of new-listings is anticipated to remain stable during the forecast period. However, sales are expected to increase, pushing up the sales-to-new-listings ratio[6] (SNLR) in 2015, and putting upward pressure on prices in the existing home market. In 2016, the SNLR will fall back into the range for balanced market conditions, easing this pressure on prices. The average MLS® price is expected to post modest annual increases of 5.3

per cent in 2015 and 2.8 per cent in 2016; partially resulting from higher sales of ground-oriented housing that generally carry a higher price tag than apartment condominiums. Average resale prices are expected to reach $545,000 in 2015 and $560,000 in 2016.

In the Abbotsford-Mission CMA, MLS® sales are forecast to grow by 8 per cent in 2015, to 2,800 transactions, and edge further upwards to 2,900 sales in 2016. While these levels are above those recorded in recent years, they will remain below the 10-year average level of 2,962 units. Demand in the area will be supported by population growth and low mortgage rates (in 2015).

Average prices are expected to increase in 2015 and 2016. The average price in the CMA remained relatively unchanged from 2009 until 2014, when it went up by 4.4 per cent. This price increase was largely compositional: from 2010 – 2013 single-detached sales ranged from 59 to 62 per cent of total sales but last year the share went up to 65 per cent, contributing to higher prices (Single-detached homes in the Abbotsford-Mission area offer the least expensive option of homes in the Lower Mainland). Price growth is expected to be 3.8 per cent in 2015, due to the continued shift in sales towards ground-oriented homes which tend to have higher prices than apartments. In 2016, gradually rising mortgage interest rates are forecast to shift homes sales toward less expensive home types, dampening price growth to 1.4 per cent.

Vacancy Rates in the Rental Market to Remain Relatively Unchanged

In 2014, the CMA recorded the highest number of newly completed rental units in more than 20 years. Relatively low vacancy rates encouraged investment in Abbotsford-Mission's rental stock. Despite the addition of newly constructed units in the rental universe, vacancy rate in October 2014 remained almost the same as the year before: 3.0 per cent vs. 3.1 per cent in October 2013. As of March 2015, 10 rental units were completed and 49 units were under construction. As a result of minimal additions to the supply of rental housing this year, the vacancy rate is forecast to remain at 3.0 per cent this year. In 2016, demand for rental units will increase as higher mortgage rates will keep some people in rental accommodation, bringing the vacancy rate to 2.7 per cent,

Average rents are forecast to increase slightly over year-earlier levels. Higher rent increases are expected in rental units built after the year 2000 as these units offer amenities that renters appreciate and are willing to pay a higher price for. Demand for these units is strong, with vacancy rates less than three per cent in the past five years. As such, any new rental supply completed in the second half of 2014 and into 2015/2016 is expected to be fully absorbed within a relatively short period. The average rent for accommodations built prior to 2000 will increase, but at a slower pace than newer units due to lower demand as indicated by the higher vacancy rates for these older units. In October 2014, the average rent for a two-bedroom apartment was $834. These units comprised close to 50 per cent of the total units in the rental universe. With rental vacancies remaining relatively unchanged, the average monthly rent for two-bedroom apartments in the Abbotsford-Mission CMA is expected to reach $850 in 2015 and $860 in 2016. One bedroom apartment units, which make up approximately 46 per cent of the total in the rental universe, were renting for $684 in October 2014 and the rent is forecast to reach $700 in 2015 and $710 in 2016.

Positive Economic Growth will Encourage Housing Demand

The improving economy will support housing demand through 2016. The unemployment rate will edge lower, as employment growth will outpace growth in the labour force and net migration to the region is expected to be positive throughout the forecast horizon.

There are many factors that are having a positive impact on economic development in the Abbotsford-Mission CMA, which will attract more people to the area. The Abbotsford International Airport is one of them. With new flight services to Toronto in 2015 as well as lower fees compared to YVR, the airport will continue to attract travellers and will be one of the area's main economic drivers. In addition, the

[6] Taking the Canadian MLS® market as a whole, a sales-to-new-listings ratio below 40 per cent has historically accompanied prices that are rising at a rate that is less than inflation, a situation known as a buyers' market. A sales-to-new-listings ratio above 55 per cent is associated with a sellers' market. In a sellers' market, home prices generally rise more rapidly than overall inflation. When the sales-to-new-listings ratio is between these thresholds, the market is said to be balanced.

expansion of transportation services which were set in the Transit Future Plan for Abbotsford-Mission[7] will continue, facilitating the commute from the CMA to the rest of the Lower Mainland and making it easier to access businesses and services in the neighbouring communities. One of the projects in this plan was the Fraser Valley Express bus, which was launched in April 2015, and is now connecting Langley to Abbotsford and Chilliwack. This new bus will assist in economic development in the CMA, making the area a desirable place to invest, and will help in attracting more students to the Fraser Valley University.

As the provincial economy gains strength over the next two years, it is anticipated that total employment will continue to grow. This positive environment will encourage people to enter or possibly re-enter the workforce, thereby increasing the number of people actively looking for work. Employment growth is expected to be faster than the growth in labour force, moving the unemployment rate for the Abbotsford-Mission CMA slightly lower to 7.1 per cent in 2015 and to 6.9 per cent in 2016.

Migration into the Abbotsford-Mission CMA is anticipated to remain at levels similar to that of last year; projected net gains are for 1,250 people in 2015 and 1,300 people in 2016. Net interprovincial migration, people coming to the CMA from other parts of the province, in addition to net international migration will be positive, leaving the area with a net gain.

Expected gains in employment and migration will foster new household formations, which will support demand for housing. Over the forecasted period, the Abbotsford-Mission CMA is expected to gain nearly 2,500 new households.[8]

[7] http://bctransit.com/servlet/documents/1403641045714,[8] Data obtained through BC Stats' Sub-Provincial People Projections (P.E.O.P.L.E 2014)

Trends at a Glance

Key factors and their effects on housing starts	
Mortgage Rates	Mortgage rates will remain low by historical standards and supportive of housing demand
Population	Population growth in the Abbotsford-Mission area is picking up modestly and will support housing demand going forward. Intraprovincial migration, people moving into the region from other areas of the province, will continue to be the main component of population and household growth.
Employment	Total employment is forecast to increase 0.6 and 1.1 per cent in 2015 and 2016, respectively. Rising employment will support demand for housing.
Income	Average weekly earnings are expected to grow as the economy gains momentum. This will support housing demand in both the rental and homeownership markets.
Resale Market	Total MLS® sales in the Fraser Valley are forecast to rise modestly in 2015, before moving lower in 2016. The supply of new listings will be flat, creating a slight upward push on prices. The Abbotsford-Mission CMA will see strong demand for resale housing resulting in a 3.8 per cent increase in price in 2015 and 1.4 per cent increase in 2016. This forecast reflects the growing proportion of single-detached home sales.
Vacancy Rates[9]	Vacancy rates for the Abbotsford-Mission are forecast to remain stable in the forecast horizon to 3 per cent in 2015 and 2.7 per cent in 2016, reflecting the continued demand for rental accommodations in the area. Homebuilders have taken note of this demand. Construction of new purpose-built rental stock that began last year will add to supply in 2015.

Risks to the Outlook

- The drop in oil prices will benefit the Abbotsford-Mission CMA by lowering the cost of commuting. In addition, because of cheaper gas prices, Canadians will have more money saved to spend on other goods and services.
- Household debt-levels, while stabilizing, continue to be high relative to historical standards. Canadian debt levels relative to income may leave households vulnerable to adverse shocks.

[9] The apartment vacancy rate is for purpose-built rental apartments.

Forecast Summary Vancouver CMA Spring 2015							
	2012	2013	2014	2015(F)	% chg	2016(F)	% chg
New Home Market							
Starts:							
Single-Detached	3,381	4,004	4,374	4,500	2.9	4,600	2.2
Multiples	15,646	14,692	14,838	14,200	-4.3	14,600	2.8
Semi-Detached	480	510	508	500	-1.6	550	10.0
Row/Townhouse	2,389	2,373	2,719	2,600	-4.4	2,700	3.8
Apartments	12,777	11,809	11,611	11,100	-4.4	11,350	2.3
Starts - Total	19,027	18,696	19,212	18,700	-2.7	19,200	2.7
Average Price ($):							
Single-Detached	1,224,974	1,456,875	1,471,827	1,490,000	1.2	1,520,000	2.0
Median Price ($):							
Single-Detached	899,000	1,099,000	1,158,000	1,200,000	3.6	1,230,000	2.5
New Housing Price Index (% chg)	-0.5	-1.0	-1.2	-1.0	-	-1.0	-
Resale Market							
MLS® Sales	25,445	28,985	33,693	38,000	12.8	36,000	-5.3
MLS® New Listings	60,015	56,476	57,709	58,800	1.9	58,200	-1.0
MLS® Average Price ($)	730,063	767,765	812,653	850,000	4.6	875,000	2.9
Rental Market							
October Vacancy Rate (%)	1.8	1.7	1.0	0.9	-0.1	1.0	0.1
Two-bedroom Average Rent (October) ($)	1,261	1,281	1,311	1,337	2.0	1,364	2.0
One-bedroom Average Rent (October) ($)	982	1,005	1,038	1,064	2.5	1,091	2.5
Economic Overview							
Mortgage Rate (1 year) (%)	3.17	3.08	3.14	2.30 to 3.50	-	2.40 to 4.00	-
Mortgage Rate (5 year) (%)	5.27	5.24	4.88	4.00 to 5.50	-	4.20 to 6.20	-
Annual Employment Level	1,247,100	1,247,600	1,276,300	1,301,800	2.0	1,333,100	2.4
Employment Growth (%)	1.9	0.0	2.3	2.0	-	2.4	-
Unemployment rate (%)	6.8	6.6	5.8	5.7	-	5.3	-
Net Migration	25,651	21,362	26,911	31,000	15.2	32,000	3.2

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), CREA, Statistics Canada (CANSIM)
NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

Forecast Summary
Abbotsford-Mission CMA
Spring 2015

	2012	2013	2014	2015(F)	% chg	2016(F)	% chg
New Home Market							
Starts:							
Single-Detached	198	201	251	230	-8.4	200	-13.0
Multiples	173	548	248	330	33.1	310	-6.1
Semi-Detached	2	0	2	0	-100.0	0	n/a
Row/Townhouse	88	91	65	90	38.5	90	0.0
Apartments	83	457	181	240	32.6	220	-8.3
Starts - Total	371	749	499	560	12.2	510	-8.9
Average Price ($):							
Single-Detached	571,386	574,842	562,554	598,000	6.3	605,000	1.2
Median Price ($):							
Single-Detached	528,037	565,000	549,900	583,000	6.0	590,000	1.2
New Housing Price Index (% chg) (B.C.)	-0.8	-1.0	-1.2	-0.6	-	0.6	-
Resale Market(1)							
MLS® Sales	13,083	12,895	15,017	16,000	6.5	15,000	-6.3
MLS® New Listings	27,786	25,964	27,396	27,500	0.4	27,300	-0.7
MLS® Average Price ($)	483,730	490,433	517,718	545,000	5.3	560,000	2.8
Rental Market							
October Vacancy Rate (%)	4.2	3.2	3.1	3.0	-0.1	2.7	-0.3
Two-bedroom Average Rent (October) ($)	818	820	835	850	1.8	860	1.2
One-bedroom Average Rent (October) ($)	661	676	684	700	2.3	710	1.4
Economic Overview							
Mortgage Rate (1 year) (%)	3.17	3.08	3.14	2.30 to 3.50	-	2.40 to 4.00	-
Mortgage Rate (5 year) (%)	5.27	5.24	4.88	4.00 to 5.50	-	4.20 to 6.20	-
Annual Employment Level	87,900	90,200	86,900	91,000	4.7	92,100	1.2
Employment Growth (%)	4.8	2.6	-3.7	4.7	-	1.2	-
Unemployment rate (%)	8.1	7.7	7.4	7.1	-	6.9	-
Net Migration	1,323	817	1,045	1,250	19.6	1,300	4.0

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).

Source: CMHC (Starts and Completions Survey, Market Absorption Survey), adapted from Statistics Canada (CANSIM), Fraser Valley Real Estate Board (figures may differ from CREA due to inclusion of only single detached and condo data), Statistics Canada (CANSIM)

NOTE: Rental universe = Privately initiated rental apartment structures of three units and over

(1) Resale Market data and forecasts are for the Fraser Valley Real Estate Board Area (Includes Surrey, Langley, North Delta, White Rock, Abbotsford and Mission). Abbotsford CMA Resale Market data is published in the Housing Market Outlook - BC Regional Highlights.

** Percentage change more than 200 per cent.

DEFINITIONS AND METHODOLOGY

New Home Market

Historical home starts numbers are collected through CMHC's monthly Starts and Completions Survey. Building permits are used to determine construction sites and visits confirm construction stages. A start is defined as the beginning of construction on a building, usually when the concrete has been poured for the whole of the structure's footing, or an equivalent stage where a basement will not be part of the structure.

Single-Detached Start:

The start of a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure.

Semi-Detached Start:

The start of each of the dwellings in a building containing two dwellings located side-by-side, adjoining no other structure and separated by a common or party wall extending from ground to roof.

Row (or Townhouse) Start:

Refers to the commencement of construction on a dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

Apartment and other Starts:

Refers to the commencement of construction on all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

Average and Median Single Detached Home Prices:

Are estimated using CMHC's Market Absorption Survey, which collects home prices at absorption and measures the rate at which units are sold or rented after they are completed. Dwellings are enumerated each month after a structure is completed until full absorption occurs. The term "absorbed" means that a housing unit is no longer on the market as it has been sold or rented.

New Home Price Indexes:

Changes in the New Home Price Indexes are estimated using annual averages of Statistics Canada's monthly values for New Housing Price Indexes (NHPI).

Resale Market

Historical resale market data in the summary tables of the Housing Market Outlook Reports refers to residential transactions through the Multiple Listings Services (MLS®) as reported by The Canadian Real Estate Association (CREA). In Quebec, this data is obtained by the Centris® listing system via the Quebec Federation of Real Estate Boards.

MLS® (Centris® in the province of Quebec) Sales:

Refers to the total number of sales made through the Multiple Listings Services in a particular year.

MLS® (Centris® in the province of Quebec) Average Price:

Refers to the average annual price of residential transactions through the Multiple Listings Services.

Rental Market

Rental Market vacancy rates and two bedroom rents information is from Canada Mortgage and Housing Corporation's (CMHC's) October **Rental Market Survey** (RMS). Conducted on a sample basis in all urban areas with populations of 10,000 and more, the RMS targets privately initiated structures with at least three rental units, which, have been on the market for at least three months. The survey obtains information from owners, managers, or building superintendents through a combination of telephone interviews and site visits.

Vacancy Rate:
The vacancy rate refers to the average vacancy rate of all apartment bedroom types. A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Two Bedroom Rent:
The rent refers to the average of the actual amount tenants pay for two bedroom apartment units. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water.

Economic Overview

Labour Force variables include the Annual Employment Level, Employment Growth, Unemployment Rate. Source: Statistics Canada's Labour Force Survey.

Net Migration:
Sum of net interprovincial (between provinces), net intra-provincial (within provinces), net international (immigration less emigration), returning Canadians and temporary (non-permanent) residents as provided to the CANSIM database by Statistics Canada's Demography Division. Sources of inter-provincial and intra-provincial migration data include a comparison of addresses from individual income tax returns for two consecutive years from Canada Revenue Agency (CRA) taxation records. The migration estimates are modelled, with the tax file results weighted to represent the whole population.

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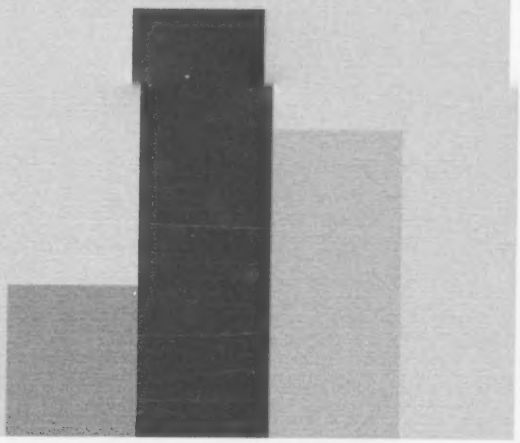

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- Canadian Housing Statistics
- Condominium Owners Report
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
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